



DEPARTMENT OF PARKS
AND COMMUNITY SERVICES

CITY OF SACRAMENTO
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PARKS AND RECREATION

- NORTH
- SOUTH
- CITY-WIDE

April 30, 1991

Budget and Finance/Transportation
and Community Development Committees
Sacramento, California

Honorable Members in Session:

SUBJECT: The Globe - Historic Waterfront Vessel

SUMMARY

This report provides information on the Globe, a historic vessel on the Old Sacramento waterfront and requests that City Council authorize staff to negotiate an amendment to the lease with Channel Star Excursion, Inc. for tour boat services in Old Sacramento to include the operation of the Globe.

BACKGROUND INFORMATION

The Old Sacramento Riverfront Master Plan includes the reconstruction and revitalization of approximately 4.5 acres of riverfront area. Designed to interpret the Gold Rush Era from 1849 to 1870, principal elements of the plan include historic riverfront building, floating hulks, and historic ships. Recommended uses for the riverfront area include commercial, tour boats, public open space, and riverfront access. The Specific Use and Leasing Plan, approved in January 1985, stipulated that historic ships be moored on the reconstructed riverfront thereby contributing to the historic ambience of the area.

The original Globe was one of thirty vessels converted to floating warehouses or storeships located along Sacramento's busy river front during the gold rush. For more than two decades, the Globe remained in Sacramento and, at one point, the brig was used as a floating office by the California Steam and Navigation Company. Also, steamboats running between San Francisco and Sacramento landed passengers on the Globe's decks. In December 1875, the Globe was destroyed by shipbreakers ending more than thirty years of service.

In 1985, the Sacramento Housing and Redevelopment Agency decided to recreate this historic vessel as it symbolized the vitality and flavor of the bustling riverfront of Old Sacramento. The replica, which was built using many traditional shipbuilding techniques, was completed in 1986 and is an important element in the overall plan of reconstructing the mid-century waterfront. In 1987, the City assumed ownership of the vessel.

During the construction of the Globe, the City built bleachers near the site so citizens could watch the progress of the construction. Docents from the Sacramento Railroad Museum and the Sacramento History Center were recruited to facilitate scheduled dialogues and answer questions the public had regarding the vessel. The Nautical Heritage Society provided pamphlets containing historical information related to the Globe including the type of material used to construct the vessel and its primary uses. After its construction, a small group of docents volunteered time for special events and self-guided museum stations were installed on the vessel. The Department of Parks and Community Services Waterfront Section manages the Globe which is open to the public during the summer months. Although Waterfront Section staff opens and closes the Globe each day, the self-guided tours are not supervised.

In March of 1987, City Council authorized a lease with Channel Star Excursions, Inc. (CSE) to provide commercial riverfront tours in Old Sacramento. The arrival of CSE's original vessel, the Matthew McKinley, on the Old Sacramento Riverfront coincided with the waterfront's June 1987 Grand Opening. CSE provides a variety of services to the public including narrated sight-seeing tours, and luncheon, brunch, happy hour, and dining/dancing cruises as well as charters and cooperative ventures with tour groups and conventions. Last winter, in accordance with the agreement, CSE purchased a new and larger vessel, the Spirit of Sacramento, to replace the Matthew McKinley. The Spirit of Sacramento began operating from the Old Sacramento waterfront last month. In the 1989-90 fiscal year, revenue to the City from the tour boat agreement was nearly \$18,000.

On March 28, 1991, CSE submitted a proposal to the Department of Parks and Community Services which requests that the City of Sacramento allow a private entity to operate the Globe. Specifically, CSE proposed that it assume responsibility for operating this historic ship. The agreement, as proposed by CSE, would contain several key terms including the operation of the Globe as a historical exhibit; maintenance of the vessel above the waterline; docents who would dress in period costumes and have a thorough knowledge of both the history of the Globe and the Sacramento Waterfront; and the provision of limited food and beverage service on board the vessel.

There are several advantages to allowing a private entity to assume operation of the Globe. Although the Globe contains self-guided museum stations, the presence of knowledgeable personnel to answer questions regarding the vessel would provide a better service to the community. The Department does not have the resources to assign staff to operate the Globe as a historical exhibit on a

regularly scheduled basis. Any private organization allowed to operate the Globe would be responsible for providing staff members well versed in the history of the ship as well as the Sacramento Waterfront to assist citizens with questions and conduct guided tours. Additionally, by permitting a private business to operate the Globe, revenue would be generated. Any agreement to operate the Globe would require the lessee to pay the City a percentage rent. Further, the cost of maintaining the vessel above the waterline would be fully borne by the lessee.

Department staff has met with City Attorney's office to discuss the recommendation presented by CSE. The City Attorney's office identified two viable options that the City has in regard to allowing a private entity to operate the Globe. The first option would be to issue a Request for Proposals for operation the Globe. An RFP would provide others, who may be interested in operating the vessel, the opportunity to bid for the contract.

The second alternative would be to amend the agreement that the City currently has with CSE to include the operation of the Globe. This option would allow the City to incorporate the operation of Globe into an existing contract.

Staff supports amending the current agreement between the City and CSE to include the operation of the Globe as a lessee provided service. Since CSE is already performing on the riverfront, the organization would have little difficulty in incorporating the Globe in its operation. As illustrated in Exhibit A, the location of the Globe is in very close proximity to the site currently leased to CSE. Further, given the fact that the Globe probably will not generate a substantial level of revenue, it is very unlikely that the response to the request would justify the administrative costs of issuing an RFP.

Any agreement regarding the operation of this historic vessel would require several significant elements including historical authenticity, specified levels of supervision, operating hours consistent with the current waterfront schedule, employees with a knowledge of the Globe and the waterfront, and a fair financial return to the City. The Globe is scheduled to be dry-docked and repaired later this spring. The agreement would commence upon return of the Globe to the riverfront.

FINANCIAL

The amount of revenue to the City from the proposed arrangement is dependent upon the terms of the agreement which will include a percentage rent. Revenue from the Globe concession would be deposited in the General Fund to offset the costs of providing management, programming, and maintenance for the Old Sacramento Waterfront area.

POLICY CONSIDERATIONS

Chapter 12, Article 3, Section 12.41 of the City Code authorizes the City Council to approve the amendment of any lease; provided, however, this section does not authorize the amendment of any lease to increase the term of such lease.

April 30, 1991

The operation of the Globe is consistent with the Old Sacramento Riverfront Master Plan goals to enhance the historic ambience of the reconstructed riverfront area.

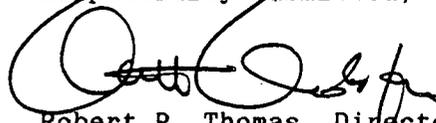
MBE/WBE EFFORTS

No effect.

RECOMMENDATION

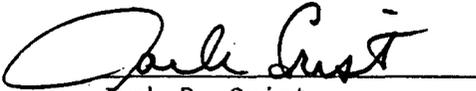
It is recommended that the joint Budget and Finance/Transportation and Community Development Committee approve this report and forward it to full City Council. Further, it is recommended that City Council, by resolution, authorize staff to negotiate with Channel Star Excursions, Inc. to amend its existing agreement (City Agreement Number 86171) with the City for tour boat services to incorporate operation of the Globe.

Respectfully submitted,



Robert P. Thomas, Director
Parks and Community Services

Recommendation Approved:



Jack R. Crist
Deputy City Manager

April 30, 1991
District 1

Staff Contact Person: Tina Lee-Vogt, Resource Development and Management,
449-6276.

K:Council/TLRGlobe

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING STAFF TO NEGOTIATE AN AMENDMENT
TO THE LEASE WITH CHANNEL STAR EXCURSIONS, INC.
FOR TOUR BOAT SERVICES IN OLD SACRAMENTO TO
INCLUDE THE OPERATION OF THE GLOBE
(CITY AGREEMENT NUMBER 86171)

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City Council authorizes staff to negotiate an amendment to the lease with Channel Star Excursions, Inc. for tour boat services in Old Sacramento to include the operation of the Globe, a historical vessel, for the remaining term of the contract (City Agreement 86171).

MAYOR

ATTEST:

CITY CLERK

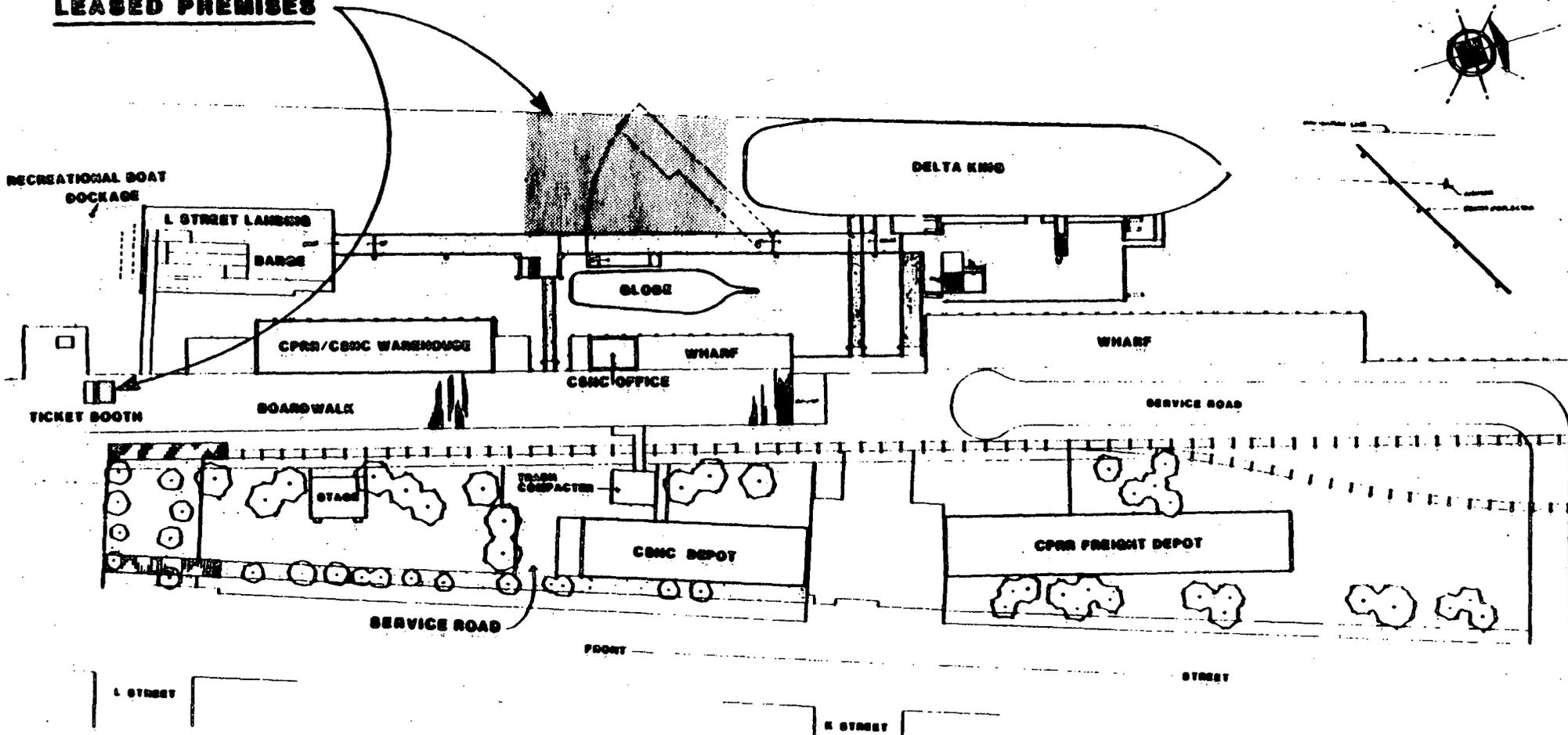
FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ 5 _____

EXHIBIT A

LEASED PREMISES



OLD SACRAMENTO RIVERFRONT DOCKAGE PLAN



NO.	DESCRIPTION	DATE	BY
1	PRELIMINARY		

DESIGNED BY	DATE

CITY OF SACRAMENTO
DEPARTMENT OF PARKS & COMMUNITY SERVICES



OLD SACRAMENTO